

\*E-Filed: January 30, 2015\*

NOT FOR CITATION  
IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

TESSERA, INC.,

No. C10-04435 EJD (HRL)

Plaintiff,

**ORDER RE: DISCOVERY DISPUTE  
JOINT REPORT #3**

v.

UTAC (TAIWAN) CORPORATION,

**[Dkt. 191]**

Defendant.

Plaintiff Tessera, Inc. (“Tessera”) sues Defendant UTAC (Taiwan) Corporation (“UTC”) for alleged failure to pay royalties under a license agreement. The first phase of this action concerned a contract interpretation dispute between Tessera and UTC about the criteria for determining which UTC products are royalty-bearing. Following discovery on that subject, the parties submitted summary judgment motions relating to contract interpretation, which were ruled on by the court.

The court entered an Amended Case Management Order that required Tessera to provide its infringement contentions in accordance with Patent L.R. 3-1, 3-2, and 3-3 with respect to its claim for royalties under the license agreement. Tessera served UTC with the required disclosure, identifying 32 claims of 12 licensed patents and providing claim charts contending that two types of UTC packages—its w-BGA packages and DFN packages—are covered by the claims of licensed patents and are therefore royalty-bearing. Tessera’s disclosure asserted that Tessera did not have enough information to determine whether a third type of package, UTC’s LGA SiP package (“LGA

1 package”), is covered by the claims of the licensed patents and is therefore royalty-bearing. UTC  
2 disputes Tessera’s contentions.

3 Presently before the Court is the parties’ Discovery Dispute Joint Report #3. Dkt. No. 191.  
4 Tessera seeks production of technical and sales information relating to UTC’s DFN and LGA  
5 packages. UTC argues that discovery of technical and sales information relating to its DFN and  
6 LGA packages is not permitted because (1) the DFN and LGA packages are not identified in the  
7 pleadings; and (2) Tessera’s infringement contentions did not identify any patent that allegedly  
8 covered UTC’s LGA packages.

9 “Parties may obtain discovery regarding any nonprivileged matter that is relevant to any  
10 party’s claim or defense . . . . Relevant information need not be admissible at the trial if the  
11 discovery appears reasonably calculated to lead to the discovery of admissible evidence.” Fed. R.  
12 Civ. P. 26(b)(1).

13 Here, the discovery Tessera seeks is allowed under Rule 26. Tessera seeks technical and  
14 financial discovery about UTC’s DFN and LGA packages in order to determine whether UTC  
15 breached the license agreement and any resulting damages. Such discovery is directly relevant to  
16 Tessera’s breach of contract claim because it will help Tessera to determine which UTC packages  
17 are covered by which of the licensed patent claims, and any royalties owed on those packages.

18 UTC contends that Tessera’s breach of contract claim is limited to the royalty-bearing w-  
19 BGA packages listed in paragraph 24 of the first amended complaint. However, the first amended  
20 complaint alleges that UTC’s non-payment for any royalty-bearing package is a breach of the  
21 license agreement. Dkt. No. 81 ¶¶ 17, 23, 25. The first amended complaint states that its allegations  
22 regarding w-BGA packages is “without limitation.” *Id.* ¶ 25. Whether certain package types are  
23 royalty-bearing is an evidentiary issue on which Tessera is entitled to discovery.

24 The conclusion that Tessera’s breach of contract claim is not limited to the royalty-bearing  
25 w-BGA packages listed the first amended complaint is supported by the Amended Case  
26 Management Order previously issued by Judge Edward Davila. UTC argued that this action could  
27 not proceed until Tessera amended its first amended complaint to list the licensed patents applicable  
28 to UTC’s packages. Tessera argued that amendment was not necessary, and further detail about its

1 claims “is an evidentiary issue that is properly the subject of discovery.” Dkt. No. 185, at 3. In the  
2 Amended Case Management Order, Judge Davila ruled that no amendment was necessary because  
3 the case is fundamentally “a breach of contract action.” Dkt. No. 186, at 1. As Judge Davila  
4 explained, “[t]he contract governing this dispute, including its exhibit listing the licensed patents, is  
5 incorporated by reference into the complaint, which also includes a paragraph listing UTAC’s  
6 accused products as of the date of filing.” *Id.*

7 UTC now argues that while Tessera need not amend its complaint to include the *patents* that  
8 give rise to UTC’s royalty obligation, Tessera must still amend its complaint to include the  
9 *packages* that give rise to those obligations. UTC’s position is a restatement of its argument that  
10 Tessera must name particular patents in its complaint. Given Judge Davila’s Amended Case  
11 Management Order, and the fact that UTC can get further disclosures from Tessera during  
12 discovery, UTC has no grounds to withhold discovery.

13 In addition, UTC argues that the Amended Case Management Order bars Tessera from  
14 pursuing new claims. Dkt. No. 186. The Amended Case Management Order ordered that Tessera  
15 disclose its infringement contentions in support of its royalty claims on July 8, 2014, and it stated  
16 that this deadline “will not be extended for any reason, including any pending discovery dispute.”  
17 Dkt. No. 186, at 2 n.1. In addition, the court ordered that Tessera’s “infringement contentions shall  
18 be limited to a total of 32 claims that it contends would be infringed but-for the license.” *Id.* at 3.  
19 UTC argues that Tessera’s infringement contentions did not identify any patent that covered LGA  
20 packages, and it is now too late to do so. Moreover, UTC contends that Tessera’s infringement  
21 contentions used up its maximum allowable quota of 32 claims in its claims against w-BGA  
22 packages and DFN packages, and therefore Tessera cannot pursue a claim against LGA packages.  
23 UTC’s arguments about discovery permissible in patent infringement cases, however, do not apply  
24 here. As explained above, this case is at its core a breach of contract action. *See* Am. Case Mgmt.  
25 Order, Dkt. No. 186, at 1.

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1 Accordingly, Tessera's request for production of technical and sales information relating to  
2 UTC's DFN and LGA packages is granted.

3 **IT IS SO ORDERED.**

4 Dated: January 29, 2015



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HOWARD R. LLOYD  
UNITED STATES MAGISTRATE JUDGE

**C10-04435 EJD (HRL) Order will be electronically mailed to:**

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